

Original Research Article

## **Synergizing organizational 'Soft' and 'Hard' strengths under high-quality development: Mechanisms of leadership evolution and organizational narrative reconstruction**

**Jinming Liu, Hua Kang, Xiangqi Kong**

*Shanghai University of International Business and Economics, Shanghai, 200000, China*

**Abstract:** In the context of high-quality development, enterprises are shifting toward innovation-driven transformation, yet the decoupling between soft power (culture) and hard power (capabilities) has become a core bottleneck. To explore the mechanism of synergy, this paper argues that the evolution of leadership into a sensemaking role is the fundamental driver, while the reconstruction of organizational narratives is the key intermediary linking soft and hard power. On this basis, a four-dimensional analytical framework—"Strategic guidance—identity shaping—system integration—ritual reinforcement"—Is constructed. The framework reveals how leaders, through narrative reconstruction, convert strategic intent into collective identification and action, thereby driving the inner mechanism by which culture and capabilities resonate in unison. The study aims to offer theoretical references and practical pathways for Chinese enterprises to build dynamic competitive advantages in the new stage of development.

**Keywords:** high-quality development; soft-hard synergy; leadership evolution; organizational narrative

## **1. Introduction**

At the stage of high-quality development, firms are required to pivot toward connotation-rich, innovation-driven growth. In this process, the failure of coordination between organizational soft power (culture) and hard power (capability) has become increasingly salient, forming a critical barrier that constrains enterprise development. Existing research focuses largely on strategic fit or ambidextrous capabilities, but rarely places soft and hard power inside an explicit synergy framework to probe their deep driving mechanisms. In particular, how the leadership role evolves and through which mediating pathways synergy is achieved remains a theoretical blind spot. To address this gap, the paper introduces the construct of organizational narrative in order to reveal how leadership evolves toward a sensemaking role and, via narrative reconstruction, drives the synergy of soft and hard power.

## **2. Internal requirements for synergizing soft and hard power under high-quality development**

### **2.1. Defining organizational soft and hard power and the dualistic dilemma**

Organizational hard power usually refers to quantifiable tangible assets and structural capabilities—Technology, processes, capital, and market channels—that determine the baseline of operational efficiency. Organizational soft power refers to corporate culture centered on shared values, behavioral norms, and climate; it affects employees' organizational commitment and creative behavior and determines developmental potential. In traditional management practice the two are often governed separately, thereby giving rise to a dualistic dilemma. Investments in hard power often fail to turn into competitive advantage because they lack cultural support that matches and amplifies them. Meanwhile the values advocated by the enterprise cannot be effectively implemented because they are restricted by rigid procedures and rules, producing a "knowing—doing" divide. This coordination failure between soft and hard power is a micro-organizational obstacle that hinders firms from achieving high-quality development.

### **2.2. Why synergy is necessary in the high-quality development context**

High-quality development centers on innovation and sustainability, which fundamentally demand deep

integration between soft and hard power. On the one hand, innovation activities rely not only on hard-power foundations such as R&D investment, but also on a soft-power culture that encourages exploration and tolerates failure; without the cultural soil, technological innovation cannot be sustained. On the other hand, practicing environmental, social and governance (ESG) concepts requires internalizing social responsibility into organizational values and embedding it systemically into hard-power links such as product design and supply-chain management so as to unify economic and social benefits. Therefore, high-quality development calls on organizations to transcend the binary opposition of soft versus hard power and to form a mutually reinforcing symbiotic relationship. Soft power provides directional guidance and intrinsic momentum for the development of hard power, while hard power supplies structural guarantees and material carriers for the realization of soft power.

### **3. Core mechanisms: Leadership evolution and organizational narratives**

#### **3.1. Functional evolution of the leadership role**

In environments of heightened uncertainty, ambiguity, and complexity associated with high-quality development, the traditional management-centric leadership—Based on the logic of planning, execution, and control—Has become untenable. That model presumes a relatively stable external environment and clear, controllable internal tasks; the leader's core function is to optimize resource allocation and monitor process execution. However, when market boundaries are reshaped and technology paths iterate rapidly, the organizational challenge is no longer one of execution but of fundamental direction and cognition. Leadership must therefore evolve from a mere administrator of affairs into a profound sensemaker.

This evolution unfolds on three levels. First, a cognitive shift: leaders are no longer omniscient broadcasters of information, but guides and catalysts in the organization's collective sensemaking process. Drawing on Weick's sensemaking theory, leaders help members select and interpret chaotic environmental cues and form a coherent, credible interpretive frame that answers such fundamental questions as what is happening and what it means for the organization. Second, a shift in functional focus: leadership work moves from tangible tasks and outputs to intangible beliefs, motives, and relationships. The core task shifts from allocating work and monitoring progress to articulating vision, building consensus, and inspiring intrinsic motivation—Constituting a paradigm shift from command-and-control to connection-and-cultivation. Third, a change in the basis of power: influence derives less from formal positional authority granted by hierarchy, and more from a leader's compelling vision, authenticity of values, and intellectual leadership. This influence-based leadership is the logical starting point for deep cultural change and capability reconfiguration.

#### **3.2. Organizational narrative as the bridging mechanism**

The chief instrument by which leaders perform the sensemaking function is organizational narrative. Narrative is not mere slogans or corporate stories; it is a dynamic, shared framework that addresses "who we are, where we come from, and where we are going." As the bridge connecting leadership evolution to the synergy of soft and hard power, narrative operates through the deep integration of cognition, emotion, and behavior. On the cognitive dimension, an effective narrative translates complex and abstract strategic intent into a coherent and comprehensible shared mental model. By setting plots, defining roles, and clarifying conflicts, it provides a common interpretive frame for analyzing external challenges and internal choices, thereby lowering ambiguity and uncertainty during change and aligning the cognitive premises for action. On the emotional dimension, narrative—Through its plots and symbols—Touches and guides members' affective attachment by linking grand organizational goals with individuals' values and career pursuits, thereby triggering identification and psychological ownership. A successful narrative makes employees feel they are not merely completing tasks but participating in a meaningful common endeavor; this emotional bond is key to unleashing autonomy and creativity. On the behavioral dimension, narrative-embedded values and behavioral exemplars become informal action guides under complexity and ambiguity. When formal rules cannot cover every situation, a deeply internalized narrative becomes a powerful informal control mechanism, guiding choices consistent with long-term organizational interests. Accordingly, narrative reconstruction constitutes the key mediating link from leadership evolution to soft-hard synergy: it acts simultaneously upon culture as soft power and the capability

system as hard power, ensuring directional alignment during transformation.

### 3.3. Major implementation obstacles

In practice, the pathway of driving synergy through narrative reconstruction is replete with challenges and the risk of change failure. A first obstacle is a trust crisis and organizational cynicism when narrative becomes decoupled from perceived organizational reality—Resource allocation, promotion criteria, incentive practices—Thereby draining credibility and eroding mobilization. Second, leaders' role rigidities and cognitive inertia: Some remain confined to transactional leadership mindsets, treating narrative as a secondary publicity tool rather than a core management instrument, resulting in insufficient resource commitment and personal example. Third, transmission losses and distortions: in large organizations, new narratives may be filtered or misconstrued by middle managers and dissipated by entrenched subcultures, preventing effective penetration to the front line and the formation of unified change momentum.

## 4. Pathways to realization: Building an integrative framework for synergy

### 4.1. Use strategic intent to steer narrative direction

Throughout the process of organizational narrative reconstruction, its origin and legitimacy lie in a clear and forward-looking strategic intent. This ensures that narrative change is not a directionless cultural exercise, but a fundamental management program serving organizational survival and development. The leadership team must first conduct an in-depth decoding of the macro context of high-quality development, transforming national policy orientations, trends in industrial upgrading, and waves of technological change into profound insights about the organization's competitive environment. This process is not only analytical but also interpretive; it requires leaders to possess the dynamic-capabilities skills of sensing and seizing opportunities. It further demands that leaders look beyond financial statements to establish a mission that transcends profit, answering the foundational questions of why the organization exists and what unique value it creates for key stakeholders. Such mission-centered strategic intent infuses the organizational narrative with a "soul" and gives it mobilizing force. On this basis, the leadership should translate the strategic intent into a tangible picture of the future—Vividly depicting the market position, customer relationships, technological capabilities, and social image the organization seeks to achieve over the next three to five years. This picture should not be a cold bundle of indicators, but a vision that sparks the collective imagination and provides all members with a clear target for joint endeavor. Absent the guidance of a clear strategic intent, narrative reconstruction easily veers off course, lapsing into superficial beautification or hollow mobilization rhetoric, and will be unable to drive a systematic upgrading of organizational capabilities.

### 4.2. Shape organizational identity through narrative

Clear strategic intent must be converted into a narrative framework capable of arousing emotional resonance and identity. This is a shift from strategic logic to cultural logic, reshaping members' cognition of their collective identity. According to social identity theory, individuals derive identity and self-esteem by classifying themselves into social groups, among which the organization is paramount. A compelling narrative constructs an attractive in-group identity that effectively guides attitudes and behaviors. This calls for selective retrieval and re-interpretation of organizational history—Excavating cultural genes, key turning points, and success episodes aligned with the new direction—And endowing them with meanings suited to the present context. This is not fabrication but narrative construction: recombining historical elements to build a continuity arc linking the organization's past, present, and future, thereby enhancing the legitimacy of change and members' sense of belonging. On this basis, leaders should distill and establish core metaphors and value propositions that encapsulate the new identity—For example, shifting from a mechanistic view emphasizing efficiency and control to an ecological view stressing agility, symbiosis, and innovation. To make such abstract values concrete and tangible, the organization must systematically identify, reward, and widely publicize individuals and teams that first exemplify the behaviors advocated by the new narrative. These exemplars and their stories become the most persuasive chapters of the narrative, rendering the new identity observable and imitable and accelerating its diffusion and internalization.

#### 4.3. Embed narrative logic into the capability system

A powerful organizational narrative must be systematically embedded in the organization's hard-power system—Its formal management institutions, business processes, and resource allocation mechanisms—to prevent it from degenerating into empty slogans and to achieve deep coupling between narrative logic and operating logic. The core of this embedding is to realize structural-cultural isomorphism (congruence), ensuring that formal systems and processes actually support the culture and values the organization espouses. In Schein's model of organizational culture, institutions and processes reside at the most visible artifacts layer; they are the concrete embodiment of inner values. If the two are misaligned, organizational members will experience cognitive dissonance and behavioral contradictions.

Specifically, budget allocation is the most powerful baton: financial resources and human capital must be preferentially directed to business units, R&D projects, and market expansion activities that substantiate the core themes of the new narrative—This is a strategic resource commitment. Organizational design should likewise align with the narrative; if the narrative emphasizes customer orientation and agile response, the organization must shift from traditional functional silos to cross-departmental, project- or customer-centered team structures, with decision rights appropriately decentralized. More crucial still, the human resource management system—Especially performance management and incentives—Must be fundamentally redesigned. Evaluation metrics should move beyond short-term financial figures to include process and long-term indicators that reflect the new narrative's orientation, such as customer satisfaction, employee innovative behavior, and contributions to cross-team collaboration. Opportunities for promotion and development should also tilt toward employees who actively live the new values. By institutionalizing narrative logic, the organization's hard-power system becomes the carrier and amplifier of the new culture, thereby forming a self-reinforcing virtuous cycle.

#### 4.4. Reinforce narrative practice through interactive rituals

The vitality of a new narrative lies in its ongoing circulation, lived experience, and re-creation within the organization rather than in one-off announcements. Leaders should carefully design and host a series of regular interactive rituals that transform the narrative into the background rhythm and behavioral habit of organizational life. From a sociological perspective, rituals are condensed social interactions that, through highly structured behaviors and symbols, generate collective emotions and reinforce group norms. In organizations, they are key carriers of culture. Leaders' words and deeds are the most vivid carriers of the new narrative; they must lead by example and consistently use the narrative's language to explain decisions, assign work, and give feedback. Such consistency is the cornerstone of narrative credibility. At the same time, structured dialogue arenas should be created—Regular all-hands meetings, strategy co-creation workshops, and story-sharing sessions—to provide platforms for safe expression and deep understanding, and to co-enrich the narrative. This shifts dissemination from top-down indoctrination to organization-wide dialogue and collective co-creation. The shift not only strengthens members' psychological ownership of the narrative but also allows the narrative to evolve with practice feedback, preserving vitality. In addition, symbols and artifacts should be managed: office space design, project naming, rewards and celebrations should be treated as media that carry and diffuse the new narrative, shaping shared perceptions and behavioral patterns and ultimately achieving seamless fusion of soft and hard power.

### 5. Conclusion

This paper focuses on the synergy of organizational soft and hard power under high-quality development. It finds that leadership's evolution toward a sensemaking role is the fundamental driver of synergy, and organizational narrative reconstruction is the core mechanism for realizing it. The four-dimensional framework of "strategic guidance—identity shaping—system integration—ritual reinforcement" systematically explicates this pathway. Theoretically, the study reveals the bridging role of organizational narrative in linking leadership and organizational capability; practically, it provides a systematic action guide for enterprises pushing deep transformation. The present work is a theoretical construction whose validity awaits future empirical testing; the differences in application across contexts also merit further exploration.

## References

- [1] Zhang Changjiang, Zhang Sihan, Hou Mengxiao. Enterprise High-Quality Development: Connotation, Measurement and Path Selection [J]. Monthly Journal of Finance and Accounting, 2022(13): 137–144.
- [2] Tang Baoshi, Liu Yaning, Lu Minqing, Zhong Yu. Market-Oriented Reform, Enterprise Vitality and High-Quality Economic Development [J]. Frontiers in International Accounting, 2023, 12(3): 298–310.
- [3] Wang Y, Lin J, Yu Z, et al. Open-world story generation with structured knowledge enhancement: A comprehensive survey [J]. Neurocomputing, 2023, 559: 126792.
- [4] Ciornei A. Narrative strategies in action—text, form, and context [J]. Bulletin of "Carol I" National Defence University (EN), 2024, 13(01): 166–178.
- [5] Zhou, J.; Hung, W.; Song, X. Emotional Communication and the Construction in Interactive Rituals. BCPSSH 2023, 21, 840-843.